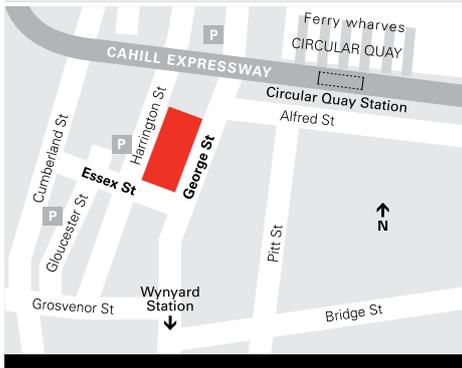


invitation



THE ANNUAL GENERAL MEETING
CSR LIMITED

THURSDAY 9 JULY 2009 AT 10.00 AM

THE BALLROOM
THE FOUR SEASONS HOTEL
199 GEORGE STREET
SYDNEY NSW 2000

INVITATION TO CSR'S AGM

Dear Shareholder,

It gives me great pleasure to invite you to attend CSR's Annual General Meeting to be held in The Ballroom, The Four Seasons Hotel, 199 George Street, Sydney, at 10.00 am on Thursday 9 July 2009.

Managing Director Jerry Maycock and I will present our yearly reviews to shareholders of CSR's financial position, operations, prospects, strategy and growth. The Notice of Meeting (following pages) details the business to be dealt with at the AGM. Briefly, this will be: to discuss and vote on adoption of the formal reports for the financial year; election of directors – John Story is standing for re-election and Nicholas Burton Taylor and Jeremy Sutcliffe are standing for election; to adopt the Remuneration Report; approval of the issue of 89,285,715 ordinary shares for the institutional placement conducted in November 2008; renewal of the proportional takeover provisions for a further three years; and removal of the director shareholding qualification in the company's constitution. We are also inviting shareholders to submit questions in advance of the meeting on the form attached to this notice.

If you choose to attend the meeting, please bring the enclosed proxy form with you to speed up your registration for entry to the AGM. If you do not plan to be at the meeting, you are encouraged to appoint someone to attend and vote on your behalf as your proxy. Instructions on how to appoint a proxy are on the back of the proxy form.

Proxy forms must be received by 10.00 am Sydney time on Tuesday 7 July 2009 to be valid for the meeting. Your proxy may be appointed in a variety of ways described on page 3 of the notice of meeting under 'Proxies'.

The AGM will be webcast live on CSR's internet site, www.csr.com.au. Also available on our internet site are:

- a link to register your e-mail address to receive all shareholder information electronically;
- the CSR Annual Report 2009, CSR Shareholder Review 2009 and Notice of Meeting 2009;
- a link to standard shareholder forms, including a direct dividend advice, a change of address advice and a request to consolidate holdings; and
- copies of news releases and financial presentations.

I look forward to seeing you at the AGM.

Yours sincerely

IAN BLACKBURNE
Chairman

5 June 2009

notice of meeting

NOTICE OF MEETING 2009

THE ANNUAL GENERAL MEETING OF CSR LIMITED WILL BE HELD IN:

THE BALLROOM
THE FOUR SEASONS HOTEL
199 GEORGE STREET
SYDNEY NSW 2000

THURSDAY 9 JULY 2009 AT 10.00 AM

AGENDA

ORDINARY BUSINESS

1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2009.

2. To elect directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- a. *That John Story, who will retire by rotation at the close of the meeting in accordance with clause 55 of the company's constitution, be re-elected as a director of the company.*
- b. *That Jeremy Sutcliffe, who was appointed in December 2008 and will retire at the close of the meeting in accordance with clause 53.2 of the company's constitution, be elected as a director of the company.*
- c. *That Nicholas Burton Taylor, who was appointed in August 2008 and will retire at the close of the meeting in accordance with clause 53.2 of the company's constitution, be elected as a director of the company.*

Separate resolutions will be considered in respect of each of the above directors.

3. To adopt the Remuneration Report for the financial year ended 31 March 2009.

Note that the vote on this item is advisory only and does not bind the directors or the company.

SPECIAL BUSINESS

4. To approve the issue of 89,285,715 ordinary shares under an institutional placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the company approve the issue of 89,285,715 ordinary fully paid shares at \$1.40 per share on 28 November 2008 as set out in the explanatory notes accompanying this Notice of Meeting.

5. To amend the constitution to renew the proportional takeover provisions for a further three years

To consider and, if thought fit, to pass the following resolution as a special resolution:

That clause 22 of the constitution of CSR Limited is renewed for a period of three years commencing on the day this resolution is passed.

6. To amend the constitution to remove the director shareholding qualification

To consider and, if thought fit, to pass the following resolution as a special resolution:

- *That the constitution of CSR Limited is amended by:*
- *deleting the whole of the existing clauses 63.1 and 63.2 and renumbering the existing clause 63.3 as clause 63.1; and*
- *deleting clause 66(j), renumbering the current clause 66(k) as 66(j) and inserting the word "or" at the end of clause 66(i).*

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00 pm Sydney time on Tuesday 7 July 2009.

Voting restrictions – Agenda item 4

CSR will disregard any votes cast on the proposed resolution in agenda item 4 by:

- a person who participated in the issue; and
- an associate of that person (or those persons).

However, CSR need not disregard a vote if it is cast by:

- a person as proxy for another person who is entitled to vote, in accordance with the directions on the proxy form (or provided electronically); or
- the chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form (or provided electronically) to vote as the proxy decides.

Voting restrictions – Agenda item 6

CSR will disregard any votes cast on the proposed resolution in agenda item 6 by any director, or by any associate of a director.

However, CSR need not disregard a vote if it is cast by:

- a person as proxy for another person who is entitled to vote, in accordance with the directions on the proxy form (or provided electronically); or
- the chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form (or provided electronically) to vote as the proxy decides.

Proxies

If you are a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the company.

The company's constitution (available on the company's internet site, www.csr.com.au under Investors/Corporate governance) provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

You may lodge a proxy online at the internet address (below) of our share registry, Computershare Investor Services Pty Limited, by following the instructions set out on the internet site. Shareholders who elected to receive their notice of meeting and proxy electronically will have received an e-mail with a link to the Computershare internet site.

To be effective, the proxy form or electronic proxy appointment must be received by Computershare at the postal or internet address or facsimile number below, or by CSR at its registered office, Level 1, 9 Help Street, Chatswood, New South Wales 2067, Australia, not later than 10.00 am Sydney time on Tuesday 7 July 2009.

Where to lodge a proxy

CSR Limited share registry
Computershare Investor Services
Pty Limited
GPO Box 242, Melbourne VIC 3001
Australia

(Please use the enclosed reply envelope)

You can lodge your proxy electronically at: www.investorvote.com.au

You will need a specific 6 digit Control Number to vote online. That number is located on the front of your Proxy Form.

Facsimile 1800 783 447
International +61 3 9473 2555

You can arrange to receive shareholder information electronically, or obtain a replacement proxy form or a special proxy form to appoint a second proxy, by contacting Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) or go to www.computershare.com.au (Investor Centre).

Admission to meeting

Shareholders who will be attending the CSR Annual General Meeting and not appointing a proxy, are asked to bring your proxy form (if you still have one) to the meeting to help speed admission.

If you do not plan to attend the meeting, you are encouraged to complete and return a proxy form or lodge a proxy online, for your holding(s) of CSR shares.

Questions and comments by shareholders at the meeting

In accordance with the *Corporations Act 2001* and the company's past practice, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comments on, the management of the company.

Similarly, a reasonable opportunity will also be given to shareholders at the meeting to ask Deloitte Touche Tohmatsu, CSR's auditor, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions for Deloitte Touche Tohmatsu relevant to the conduct of the audit and the content of the auditor's report may be sent to Computershare (at the address or fax number for lodgement of proxies). Alternatively, the questions may be sent to the Company Secretary, CSR Limited, Level 1, 9 Help Street, Chatswood, NSW 2067 or by e-mail to investorrelations@csr.com.au. In each case, the written questions must be received no later than 5.00 pm (Sydney time) on Thursday 2 July 2009. A list of questions to the auditor will be available at the meeting.

EXPLANATORY NOTES ON AGENDA ITEMS

1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2009

The CSR Annual Report 2009 (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting. Shareholders can access a copy of the Annual Report on CSR's internet site at www.csr.com.au/investorcentre/reports.asp. As permitted by legislation, a printed copy of the CSR Annual Report 2009 has been sent only to those shareholders who have elected to receive a printed copy.

During this item, shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the reports and CSR's management, businesses, operations, financial performance and prospects. Shareholders may also submit questions in advance of the meeting by completing the form attached to this Notice.

Recommendation

The directors unanimously recommend that shareholders vote in favour of agenda item 1.

2. To elect directors

John Story was appointed as a director in 2003 and was last re-elected by shareholders at the Annual General Meeting in July 2006. Having served for three years, he must retire by rotation in accordance with clause 55 of the company's constitution and the ASX Listing Rules.

Two new directors, Nicholas Burton Taylor and Jeremy Sutcliffe, were appointed in 2008. Each of the new directors will stand for election at the meeting in accordance with clause 53.2 of the company's constitution.

Information about the directors standing for election:



JOHN STORY

BA, LLB, FAICD, AGE 63.

Chairs the Audit Committee, is a member of the Remuneration Committee and up until 29 October 2008 was a member of the Safety, Health and Environment Committee. John joined the Board in 2003. An independent director, he has a great depth of experience as a senior lawyer advising on corporate and commercial law. In 2007, he retired as non-executive chairman of the law firm Corrs Chambers Westgarth, where he was a partner for 36 years until his retirement as a partner in 2006. John is chairman of Suncorp-Metway Limited, where he has been a director for 13 years. In November 2007, he was appointed as chairman of Tabcorp Holdings Limited where he has been a director since 2004. Previously, he had been a director of Jupiters Limited. Also, John is national chairman of the Australian Institute of Company Directors.



NICHOLAS BURTON TAYLOR AM

BECON, FCA, FAICD, FFIN, AGE 59.

Member of the Audit Committee and the Safety, Health and Environment Committee, Nicholas joined the Board in 2008 as an independent director. Nicholas is the past chairman of Airservices Australia and the Australian Agricultural Company Limited, where he was a director for seven years. He has been a director of GrainCorp Limited, Rural Press Limited and Sydney Airport Corporation Limited and was a director of Hamilton James & Bruce Group Limited for four years. He is a past president of the Institute of Chartered Accountants and current chairman of the Country Education Foundation of Australia and a member of the Rabo Bank Advisory Board.



JEREMY SUTCLIFFE

LLB (HONS), MAICD, AGE 51.

Member of the Remuneration Committee and the Safety, Health and Environment Committee. Jeremy joined the Board in 2008 as an independent director. Jeremy is an executive director of Sims Metal Management Limited having held several positions in Sims, including general manager Sims International, chief executive of Simsmetal UK and group CEO, Sims Group Limited from 2002 until 2008 when he assumed his current role. He is senior vice president of the Ferrous Board of the Bureau of International Recycling.

Recommendation

The directors (in each case excluding the relevant director) unanimously recommend that shareholders vote in favour of agenda items 2a, 2b and 2c.

3. To adopt the Remuneration Report for the financial year ended 31 March 2009

Directors of listed companies, such as CSR, are required to provide detailed disclosures of director and senior executive remuneration in their directors' reports. These disclosures are set out in the Remuneration Report (which forms part of the directors' report) on pages 10 to 20 of the *CSR Annual Report 2009*. (As mentioned above, shareholders can access a copy of the Annual Report on CSR's internet site; printed copies of the Annual Report have been sent to those shareholders who elected to receive a copy in this form; and the Annual Report will be presented to the AGM.)

The Remuneration Report includes:

- discussion of the Board's policy in relation to the nature and level of remuneration of the key management personnel of CSR;
- discussion of the relationship between the Board's remuneration policy and CSR's performance over the five financial years up to and including the year ended 31 March 2009;
- information about performance hurdles applicable to the short-term and long-term incentive components of the remuneration of key management personnel; and
- details of the remuneration provided to the non-executive directors, managing director and key management personnel and the five highest paid executives for the year ended 31 March 2009.

There will be a reasonable opportunity for shareholders at the meeting to comment on, and ask questions about, the Remuneration Report.

The vote on the proposed resolution in agenda item 3 is advisory only and will not bind the directors or the company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Recommendation

The directors unanimously recommend that shareholders vote in favour of agenda item 3.

4. To approve the issue of 89,285,715 ordinary shares under an institutional placement

On 28 November 2008, the company issued 89,285,715 ordinary fully paid shares to institutional investors under an Institutional Placement at \$1.40 per share. The issued shares have the same rights as other ordinary fully paid shares of the company already on issue.

The proceeds of the offer were used to reduce CSR's net debt. The allottees of shares under the Institutional Placement were both existing and new institutional shareholders, falling within the definitions of "sophisticated investor" and "professional

investor” under sections 707(8) and 708(11) of the *Corporations Act 2001* (Cth). The allottees were determined by CSR in conjunction with the underwriters of the Institutional Placement.

ASX Listing Rule Requirements

ASX Listing Rule 7.1 imposes a restriction on the maximum number of shares that can be issued in any 12 month period without shareholder approval. This restriction is broadly 15% of the number of equity securities already on issue within any 12 month period. The shares issued under the Institutional Placement on 28 November 2008 were within this limit.

Under ASX Listing Rule 7.4 an issue of shares made without approval under ASX Listing Rule 7.1 can be subsequently approved by shareholders.

The company seeks approval of the issue of the 89,285,715 shares in accordance with ASX Listing Rule 7.4. The proposed resolution is effectively a retrospective approval or ratification to refresh the company’s capacity to issue further equity securities pursuant to ASX Listing Rule 7.1. If shareholders approve the resolution, the company will have the flexibility to issue more shares in the next 12 months if an opportunity or corporate activity arises which the directors believe is in the best interests of the company. If approved, the company’s capacity to issue shares without shareholder approval under ASX Listing Rule 7.1 will be increased to approximately 180 million shares at the date of the Annual General Meeting.

Recommendation

The directors unanimously recommend that shareholders vote in favour of agenda item 4.

5. To amend the constitution to renew the proportional takeover provisions for a further three years

The company’s constitution currently contains provisions dealing with proportional takeover bids for CSR shares in accordance with the *Corporations Act 2001*. The provisions are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the company.

Under the *Corporations Act 2001*, the provisions must be renewed every three years or they will cease to have effect. The current provisions will automatically cease to have effect after 12 July 2009 unless renewed by the proposed special resolution. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect until 9 July 2012.

The *Corporations Act 2001* requires that the following information be provided to shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

Effect

A proportional takeover bid is one where the offer made to each shareholder is only for a proportion of that shareholder’s shares.

If a proportional takeover bid is made, directors must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on before the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. (The bidder and its associates are not allowed to vote on the resolution.) If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the *Corporations Act 2001* and the company’s constitution.

The proportional takeover provisions do not apply to full takeover bids.

Reasons

Without the proportional takeover approval provisions, a proportional takeover bid may enable control of the company to pass without members having the opportunity to sell all their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in the company and the risk of the bidder being able to acquire control of the company without payment of an adequate control premium for their shares.

The proposed proportional takeover provisions lessen this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

At the date of this notice, no director of the company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the company.

Review of proportional takeover provisions

The *Corporations Act 2001* requires that members be given a statement which retrospectively examines the advantages and disadvantages, for directors and members, of the proportional takeover provisions proposed to be renewed. Such a statement follows.

While proportional takeover provisions have been in effect there have been no takeover bids for the company, either proportional or otherwise. Accordingly, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover provisions (that is, clause 22 of the existing constitution) for the directors and members of the company. The directors are not aware of any potential takeover bid that was discouraged by clause 22.

Potential advantages and disadvantages

As well as a retrospective review of the provisions proposed to be renewed, the *Corporations Act 2001* requires that shareholders be given a statement of the potential future advantages and disadvantages of the provisions.

The directors of the company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for members are:

- (a) they give shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- (b) they may assist shareholders in not being locked in as a relatively powerless minority;
- (c) they increase shareholders’ bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential disadvantages to members of the company are:

- (a) it is a hurdle and may discourage the making of proportional takeover bids in respect of the company;
- (b) this hurdle may depress the share price or deny shareholders an opportunity of selling their shares at a premium; and
- (c) it may reduce the likelihood of a proportional takeover being successful.

However, the directors of the company do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

Recommendation

The directors unanimously recommend that shareholders vote in favour of agenda item 5.

6. To amend the constitution to remove the director shareholding qualification

The company seeks shareholder approval, by way of special resolution, to amend clauses 63 and 66(j) of the company's constitution. The mark-ups below show the proposed changes to the existing provisions:

63. Qualifications

~~63.1 A Director must hold 2000 fully paid Shares in the Company in his or her own name. If Shares are converted into a larger or smaller number then the number of Shares a Director must hold will be adjusted accordingly.~~

~~63.2 A Director must hold the requisite share qualification at the time of the Director's election or appointment and must continue to hold that qualification so long as the Director continues to hold office as Director.~~

63.31 In addition to the circumstances which disqualify a person from managing a corporation according to the Corporations Law, no person who has been an insolvent under administration within the previous five years is eligible to become a Director.

66. Vacation of office

The office of a Director immediately becomes vacant if the Director:

- (a) except where the effect of this paragraph is prohibited by applicable law, attains the age of 70 years;
- (b) ceases to be a Director by virtue of the Corporations Law;
- (c) is prohibited by the Corporations Law from holding office or continuing as a Director;
- (d) is liable to pay a call but does not pay the call within 21 days after the due date on which it is payable;
- (e) is prohibited from holding or is removed from the office of Director by an order made under the Corporations Law;

(f) becomes bankrupt or makes any general arrangement or composition with his or her creditors;

(g) cannot manage the Company because of his or her mental incapacity or is a person whose estate is liable to have a person appointed, under a law relating to the administration of estates of persons who through mental or physical infirmity are incapable of managing their affairs, to administer it, or becomes in the opinion of the Directors incapable of performing his or her duties;

(h) resigns from his or her office of Director by notice in writing to the Company;

(i) is removed by resolution of the Company;

~~(j) ceases to hold the required share qualification; or~~

~~(k)(l) is absent from Directors' meetings for three consecutive months without leave of absence from the Directors.~~

The effect of the amendment to the constitution will be to remove the requirement for a director to hold shares in the company as a condition of their appointment, and continuing appointment, as a director of CSR Limited.

Reasons for seeking the amendment

- The current shareholding requirement is for an insignificant number of shares.
- Insider trading laws will deny the appointment of a director if the director possesses inside information and is required to acquire shares in order for their appointment to be effective.
- Director alignment with shareholder interests through equity participation is achieved through the company policy on shareholding by directors.
- Director shareholding in CSR Limited is disclosed in the Annual Report and ASX director interest notices.

Recommendation

CSR will disregard any votes cast in respect of this agenda item by any director, or by any associate of a director.



CHRIS BERTUCH
Company Secretary
5 June 2009

CSR LIMITED

ABN 90 000 001 276

Level 1, 9 Help Street
Chatswood NSW 2067 Australia

Locked Bag 6
Chatswood NSW 2057 Australia

Telephone (02) 9235 8000
International +61 2 9235 8000

Facsimile (02) 9235 8044
International +61 2 9235 8044

E-mail investorrelations@csr.com.au

Internet www.csr.com.au

SHAREHOLDER INFORMATION AND INQUIRIES

All enquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services
Pty Limited
Level 3, 60 Carrington Street,
Sydney NSW 2000 Australia

GPO Box 2975 Melbourne VIC
3001 Australia

Telephone within Australia 1800 676 061
International +61 3 9415 4033

Facsimile (03) 9473 2500

International +61 3 9473 2500

E-mail web.queries@computershare.com.au

Internet www.computershare.com.au

questions?

QUESTIONS FROM SHAREHOLDERS

CSR aims to provide relevant and timely information to shareholders at the Annual General Meeting. **If you would like to submit a question, please use this form and send it to Computershare** (at the address or fax number for lodgement of proxies).

Alternatively, questions may be sent to the Company Secretary, CSR Limited, Level 1, 9 Help Street, Chatswood, NSW 2067 or by e-mail to investorrelations@csr.com.au. Questions should be relevant to the business of the meeting as outlined in the Notice of Meeting and Explanatory Notes on Agenda items.

Questions must be received no later than 5.00 pm (Sydney time) on Thursday 2 July 2009.

Questions will be collated and, during the meeting, either the Chairman or Managing Director will seek to address as many of the more frequently raised topics as possible. Where a question relates to the audit, the accounting policies adopted by the company in relation to the preparation of the financial statements, or the independence of the auditor in relation to the conduct of the audit, the Chairman will request a representative of CSR's auditor, Deloitte Touche Tohmatsu, to respond to such questions. Please note that there may not be sufficient time at the AGM to respond to all topics raised. Individual responses will not be sent to shareholders.

Shareholder's Name:

Address:

Question(s): Please tick the box if the question is directed to CSR's auditor

1.

2.

3.

4.

